

COPY

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

-----X
LIFE IS GOOD, INC., :
 :
 Plaintiff, :
 :
 v. : No. 04 11290 REK
 :
 LG ELECTRONICS U.S.A., INC., :
 :
 Defendant. :
-----X

Washington, D.C.

Wednesday, November 9, 2005

Deposition of

JOHN I. TAYLOR

a witness, called for examination by counsel for
Plaintiff, pursuant to notice and agreement of
counsel, beginning at approximately 9:36 a.m., at
the law offices of Nixon Peabody, 401 9th Street,
NW., Washington, D.C., before Lauri M. Ploch of
Beta Court Reporting, notary public in and for the
District of Columbia, when were present on behalf
of the respective parties:

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**Exhibit 16 to
Lemper Declaration**

1 MR. KIRBY: Let's go off the record
2 for a moment.

3 THE VIDEOGRAPHER: Going off the
4 record at 9:48, Tape 1.

5 (Discussion off the record)

6 THE VIDEOGRAPHER: Going back on
7 the record at 9:48 a.m. Tape 1.

8 MR. SOMMERS: Before you go back
9 on, can I go off again?

10 THE VIDEOGRAPHER: Going off the
11 record at 9:49.

12 (Discussion off the record)

13 THE VIDEOGRAPHER: Going back on
14 the record at 9:50 a.m., Tape 1.

15 BY MR. KIRBY:

16 Q Mr. Taylor, my question is, can you
17 tell me what the approximate annual revenues
18 are for LG Electronics U.S.A.?

19 A Around \$8 billion.

20 Q And can you tell me what the
21 approximate annual revenues are for LG
22 Electronics, Inc.? I think you've already

1 Q Please.

2 A It's not very shorthand, but I
3 would call it the LG logo with the Life's
4 Good tag line.

5 Q I could have done better than that,
6 Mr. Taylor.

7 Now, I want you to focus on Exhibit
8 4, the LG logo with the Life's Good tag line,
9 and I would like you to tell me, sir, how it
10 came about that LG first started using it.

11 A LG Electronics U.S.A.?

12 Q Please.

13 A LG electronics U.S.A. began using
14 the LG logo with the Life's Good tag line I
15 believe in late 2003, based on direction from
16 LG Electronics, Inc. in Korea.

17 Q Do you know what company created
18 the LG logo with the Life's Good tag line?

19 A I'm not sure. That was handled by
20 LG corporate in Korea.

21 Q As far as you know, it wasn't
22 anybody at LG Electronics U.S.A. that came up

1 I think some advertising firms that work with
2 LG Electronics, Inc., were involved, but I
3 don't have a lot of details.

4 Q There's not somebody out claiming
5 credit, to your knowledge, for coming up with
6 the LG logo with the Life's Good tag line?

7 A Not that I'm aware of.

8 Q You can take credit if you want.
9 Not you?

10 A Not I.

11 Q Okay. Can you tell me how the LG
12 logo with the Life's Good tag line is used by
13 LG Electronics U.S.A.?

14 A The LG logo with the Life's Good
15 tag line is used by LG Electronics U.S.A.
16 primarily in our advertising of premium
17 products sold in the United States.

18 Q Is the LG logo with the Life's Good
19 tag line affixed to any products sold by LG
20 Electronics?

21 A It is not.

22 Q Is it affixed to any packaging for

1 approximately in the U.S.?

2 A LG Electronics U.S.A.?

3 Q Please.

4 A Not a public number, but generally

5 for 2005 and 2006, LG Electronics U.S.A.

6 invests around \$100 million annually in

7 advertising and promotion of the LG brand.

8 Q And when you say in advertising and

9 promotion of the LG brand, do you mean by

10 that the brand as depicted on Exhibit 3 or as

11 depicted on Exhibit 4 or both or something

12 else?

13 A Again, the brand is LG. Life's

14 Good is the tag line, so to promote the LG

15 brand generally.

16 Q So you would be referring, then, to

17 the brand as depicted on Exhibit 3?

18 A Correct.

19 Q And I know you were only talking

20 round numbers, but if LG Electronics in 2005

21 spent \$100 million in advertising in the

22 U.S., can you tell me what percentage of

1 those advertisements would include the LG
2 logo with the Life's Good tag line?

3 A The majority of purchased media,
4 magazine ads, TV commercials, use the LG logo
5 with the Life's Good tag line.

6 Q Mr. Taylor, let me show what we
7 marked previously as Exhibit 31, and let me
8 represent to you that I accessed this page on
9 the Internet, and you can see the domain name
10 down in the bottom left-hand column. Do you
11 see that?

12 A I do.

13 Q Do you see it says ww -- I'm
14 leaving some of the letters out --
15 www.lg.co.kr?

16 A Yes.

17 Q Can you tell me what company owns
18 that domain name?

19 It is Exhibit 31, Mark.

20 A I believe it is LG Corp.

21 Q The Korean holding company?

22 A Correct.

1 Q Do you see that? Is that a picture
2 of a T-shirt that bears the LG logo with the
3 Life's Good tag line?

4 A That is one of the advertising
5 promotional items that we produced, or we
6 have produced.

7 Q Has LG Electronics sold t-shirts
8 such as that set forth on the last page of
9 Exhibit 14A?

10 A No.

11 Q Never?

12 A No.

13 Q Are you sure about that?

14 A We don't sell t-shirts. We sell
15 electronics.

16 Q Do you know whether LG Electronics
17 sells promotional items such as t-shirts to
18 certain business partners of LG Electronics?

19 A Most of the promotional items that
20 are produced for us are given away, given
21 away to retailers, some to consumers through
22 retailers. There's a very small proportion

1 that is purchased by retailers, but most of
2 them are then reimbursed through their
3 advertising cooperative funds.

4 Q So does that mean that some number
5 of t-shirts are sold to some retailers out
6 there?

7 A I cannot verify that. T-shirts are
8 a very small portion of our overall
9 promotional items.

10 Q Leaving aside for the moment
11 whether LG Electronics has sold any t-shirts
12 to anybody, I think you testified that LG
13 Electronics has given away some t-shirts to
14 people?

15 A That's correct.

16 Q To whom?

17 A T-shirts are given away primarily
18 to retailers as part of training programs,
19 for sales training, and other dealer events.
20 On occasion a retailer will give away
21 t-shirts to consumers as well for a local
22 promotion, but they are not sold to

1 consumers, ever.

2 Q What is the purpose of the giving
3 away of t-shirts that bear the LG logo with
4 the Life's Good tag on it? Why does LG
5 Electronics do it?

6 A It's a very common practice in our
7 business to have promotional items with your
8 logo on them to build customer loyalty,
9 particularly among the retail base. And we
10 don't do a lot of consumers. This is really
11 a trade focused activity.

12 Q To your knowledge, has LG
13 Electronics U.S.A. Continued to give away
14 some number of t-shirts, say over the past
15 year?

16 A Yes.

17 Q And so is it the case that LG
18 Electronics U.S.A. has given away t-shirts
19 knowing that the plaintiff, Life is good, has
20 a registered trademark for the words Life is
21 good that covers t-shirts?

22 MR. SOMMERS: Object to form.

1 someone else at LG Electronics U.S.A. who
2 would be more likely to know about the
3 company's use of the words life is good than
4 you?

5 A No one more than I.

6 Q Let me direct your attention to the
7 eighth paragraph on Schedule A. It calls for
8 information regarding the channels of trade
9 utilized by the defendants in offering their
10 goods to the public. Do you see that?

11 A I do.

12 Q Do you know whether any products
13 sold by LG Electronics U.S.A. at retail are
14 sold in stores that also sell products of the
15 plaintiff, Life is good, Inc.?

16 A I'm not sure where Life is good,
17 Inc. Products are sold. I think it would be
18 highly unlikely, when you look at our
19 channels of distribution for premium
20 television products, plasma screens, through
21 everything from Best Buy to Circuit City to
22 major national and regional retailers, to

1 high-end appliances through appliance and TV
2 stores, plus national retailers as well.
3 And, you know, a huge number of customers in
4 the commercial area, like selling television
5 sets to hotels and institutions.

6 So I don't see a lot of crossover
7 there.

8 Q My question is slightly different,
9 sir, and that is, do you know of any retail
10 outlets that sell both your products and the
11 plaintiff's products?

12 A I do not.

13 Q Are any products of LG Electronics
14 U.S.A. Sold on military bases, at PX's?

15 A Some are.

16 Q And do you know whether products of
17 Life is good are sold at any military bases
18 or PX's?

19 A I don't know where they are sold.

20 Q What does PX stand for?

21 A Not sure.

22 Q We weren't either. Take a look at